

BLUE FOLDER ITEM

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CITY COUNCIL MEETING July 21, 2026

H.17 APPROVE AN EXCLUSIVE NEGOTIATING AGREEMENT BETWEEN THE CITY OF REDONDO BEACH AND MULTIVERSE PLATFORMS INC FOR 123 INTERNATIONAL BOARDWALK, THE FORMER FUN FACTORY SPACE

CONTACT: ELIZABETH HAUSE, WATERFRONT AND COMMUNITY SERVICES DIRECTOR

Attached:
Signed Agreement

EXCLUSIVE NEGOTIATING AGREEMENT

THIS EXCLUSIVE NEGOTIATING AGREEMENT (the “Agreement”) is entered into as of July 21, 2026 (the “Effective Date”), by and between the CITY OF REDONDO BEACH, a California municipal corporation (the “City”), and Multiverse Platforms Inc, a California corporation (“Multiverse”). The City and Multiverse (collectively referred to herein as the “Parties”) hereby agree to the terms and provisions set forth below.

RECITALS

A. The City is the owner of the land underlying the Redondo Beach Pier, upon which a number of restaurants, shops and marine activities are operated on land leased from the City. One of the existing buildings located at 123 International Boardwalk, Redondo Beach, California (the “Premises”) had long been used for the “Fun Factory” arcade until its closure in 2019.

B. Multiverse has communicated to the City that it would be interested in leasing the Premises for use as a “Level Up Bowl and Bistro,” which would include a bowling alley, arcade, bistro style restaurant and sports bar, and other entertainment uses.

C. The City desires for the Premises to be revitalized and reoccupied, while maintaining its historic use as an arcade and entertainment center (the “Tenant Improvements”).

D. The City and Multiverse desire to enter into negotiations with respect to the business terms of a potential lease of the Premises, and the preparation of a written lease of the Premises (the “Lease”).

E. The Parties acknowledge that each Party will be required to expend significant time and resources under this Agreement. Multiverse will be required to expend time and resources in connection with the preparation of plans, due diligence review, business planning, and negotiation of the proposed Lease, and the City will be required to expend time and resources in connection with the review of submitted plans, gathering of due diligence information and documents for submission to Multiverse, and negotiation of the proposed Lease, as well as giving up its ability to negotiate with other potential tenants during the term hereof. Each Party is entering into this Agreement in reliance on the other Party’s agreement to negotiate exclusively and in good faith during the term, subject to all of the requirements set forth herein.

NOW, THEREFORE, in consideration of the recitals and mutual covenants and conditions contained herein, the Parties hereby agree as follows:

1. Multiverse Submissions. Within sixty (60) days from the date of this Agreement, Multiverse shall submit to the City a site plan, floor plan, and conceptual elevation drawings of proposed Tenant Improvements for the Premises (“Tenant Improvements Submission”). Staff and consultants of the City and Multiverse shall meet and confer regarding the Tenant Improvements Submission.

2. Negotiation of Proposed Terms for Lease. Upon the City’s receipt of the Tenant Improvements Submission, the Parties shall undertake the following activities:

a. Negotiation of Lease Terms. For a period of sixty (60) days commencing upon the City's receipt of the Tenant Improvements Submission (the "Lease Term Negotiation Period"), the agents and representatives of the City and Multiverse shall meet and confer regularly, in good faith, and jointly negotiate the proposed business terms of the Lease. During the term of this Agreement, the City shall not, directly or indirectly, solicit, initiate, encourage, entertain, negotiate, or enter into any agreement with any person or entity other than Multiverse concerning the lease, license, operation, occupancy, redevelopment, or other disposition of the Premises, except as required by applicable law. If, at the expiration of the Lease Term Negotiation Period, City staff and Multiverse have not agreed to the proposed business terms of the Lease, this Agreement shall automatically terminate, and the City shall then have the right to negotiate with any other person or entity for the lease of the Premises; provided, however, that (i) the Parties may mutually agree in writing to extend the Lease Term Negotiation Period, and (ii) Multiverse shall have the right to extend the Lease Term Negotiation Period for one (1) additional thirty (30) day period upon written notice to the City prior to expiration of the initial Lease Term Negotiation Period.

b. Preparation and Submission of Draft Lease. Within thirty (30) days from the agreement of City and Multiverse upon the proposed business terms of the Lease, City shall prepare and submit to Multiverse a draft Lease based upon the agreed upon proposed business terms of the Lease.

c. Negotiation of Lease. Upon submission of the initial draft Lease by City to Multiverse, for a period of sixty (60) days (the "Lease Negotiation Period"), the agents and representatives of the City and Multiverse shall meet and confer regularly, in good faith, to jointly negotiate the form of the proposed Lease. The City covenants and agrees to negotiate exclusively with Multiverse throughout the Lease Negotiation Period with respect to the proposed Lease of the Premises. If, at the expiration of the Lease Negotiation Period the City and Multiverse have not agreed to the form of the proposed Lease, this Agreement shall automatically terminate, and the City shall then have the right to negotiate with any other person or entity for the lease of the Premises; provided, however, that (i) the Parties may mutually agree in writing to extend the Lease Negotiation Period, and (ii) Multiverse shall have the right to extend the Lease Negotiation Period for one (1) additional thirty (30) day period upon written notice to the City prior to expiration of the initial Lease Term Negotiation Period.

d. City Council Approval of Lease. Upon completion of a form of a proposed Lease that is mutually acceptable to City staff and Multiverse, the proposed Lease shall be presented to the City Council for consideration of approval at a City Council meeting. The City Council may, in its sole discretion, approve, approve with modifications, disapprove, or take any other action with respect to the proposed Lease which has been prepared by City staff and Multiverse. The parties understand that the City Council is not under any obligation to approve the proposed Lease, in its sole and absolute discretion.

e. No Property Disposition Required. This Agreement does not constitute a lease or other disposition of the Premises by the City. Each Party's execution of this Agreement is merely an agreement to enter into a period of preparation and submission of designs and plans, and exclusive negotiations of a form of a proposed Lease according to the terms hereof, reserving final discretion and approval by each Party.

f. **Due Diligence Materials.** Within ten (10) business days after the Effective Date, and thereafter promptly upon Multiverse's reasonable request, the City shall make available to Multiverse copies of non-privileged documents in the City's possession or control that are reasonably related to the Premises or Multiverse's proposed use, including, to the extent available, existing leases or occupancy agreements affecting the Premises, surveys, title materials, environmental reports, structural reports, permits, code notices, utility information, pier rules and regulations, operating restrictions, known hazardous materials information, prior improvement plans, roof, HVAC, electrical, plumbing, ADA/CASp, coastal, harbor, or similar reports or requirements, and any written notices of known violations or limitations affecting the Premises or Multiverse's proposed use. Multiverse acknowledges that City has delivered to Multiverse many or all of such documents prior to the date of this Agreement. The City may provide such materials without representation or warranty as to their accuracy, except that the City shall not knowingly withhold material non-privileged information in its possession or control that is responsive to Multiverse's reasonable due diligence requests. The City makes no representation to Multiverse that it has possession or control of any of the above-referenced documents, other than those previously delivered by City to Multiverse, and City shall not be required to prepare or cause the preparation of any documents for delivery to Multiverse in order to comply with the foregoing requirements.

g. **Good Faith Negotiation.** For purposes of this Agreement, the City's obligation to negotiate in good faith shall include promptly reviewing Multiverse's submittals, providing consolidated comments when reasonably practicable, making appropriate City staff reasonably available for meetings, identifying material issues known to City staff, and using commercially reasonable efforts to submit the proposed Lease to City Council for its consideration if City staff and Multiverse agree upon proposed business terms and a proposed form of Lease.

3. Due Diligence and Inspection Rights. City shall grant Multiverse and its representatives and agents a right of entry during the term of this Agreement to enter upon the Premises for purposes of conducting Multiverse's due diligence inspection, provided that Multiverse (a) gives City twenty-four (24) hours telephone or written notice of any intended access; (b) accesses the Premises in a safe manner; (c) conducts no invasive testing or boring without the written consent of the City; and (d) complies with all laws and obtains all permits required in connection with such access. Multiverse shall indemnify, protect, defend, and hold harmless the City and its elected officials, officers, employees, representatives, members, and agents ("Indemnitees") from and against any and all losses, liabilities, damages, claims or costs (including attorneys' fees), arising out of Multiverse's entry upon the Premises. This indemnity obligation shall survive the termination of this Agreement. Multiverse's obligations to indemnify Indemnitees shall not extend to losses to the extent such losses arise out of the sole negligence or willful misconduct of one or more Indemnitees, the pre-existing condition of the Premises, the discovery of hazardous materials not introduced by Multiverse or its representatives, the City's violation of applicable law, or the City's breach of this Agreement.

4. Legal Provisions.

a. **Institution of Legal Actions.** Legal actions must be instituted and maintained in the Superior Court of the County of Los Angeles, State of California, or in any other appropriate court in that county.

b. Multiverse Remedies. Subject to Multiverse's right to terminate this Agreement in accordance with the terms of Section 4(e) hereof, Multiverse's exclusive remedy for an uncured City default under this Agreement is to institute an action for specific performance, injunctive relief, and/or declaratory relief concerning the terms of this Agreement, and in no event shall Multiverse have the right, and Multiverse expressly waives the right, to seek actual damages, consequential damages, punitive damages, or lost profits.

c. Legal Costs. The parties hereto acknowledge and agree that each Party shall bear its own legal costs incurred in connection with the negotiation, approval, and execution of this Agreement.

d. Applicable Law. The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

e. Termination Rights. Notwithstanding the foregoing, either Party may terminate this Agreement if the other Party has materially defaulted in its obligations herein set forth, and the terminating Party has provided the defaulting Party with written notice of such determination, and the defaulting Party has failed to cure such default. The written notice shall set forth the nature of the actions required to cure such default if curable. The defaulting party shall have ten (10) days from the date of the written notice to cure such default. If such default is not cured within such ten (10) day period, the termination shall be deemed effective. Each Party shall also have the right to terminate this Agreement without cause in the event that the Parties do not mutually agree upon the proposed Lease terms or the form of the proposed Lease within the times set forth in Section 2 hereof, subject to any extensions provided in Section 2. Notwithstanding anything to the contrary in this Agreement, Multiverse may terminate this Agreement at any time upon written notice to the City if Multiverse determines, in its sole discretion, that the Premises, the proposed Tenant Improvements, the anticipated Lease terms, permitting requirements, construction costs, governmental approvals, financing, licensing, or other conditions render the proposed transaction impractical, uneconomic, or otherwise unacceptable to Multiverse. Multiverse acknowledges and agrees that Multiverse is not entitled to receive, and City shall have no obligation or liability for, any compensation, reimbursement, costs, expenses, damages (whether direct, indirect, consequential, incidental, or special), lost profits, reliance damages, expectation damages, indemnity, or relocation benefits of any kind, arising out of or related to the City's termination of this Agreement prior to the expiration of the Term, regardless of the cause or timing of such termination. Multiverse further expressly waives any and all claims, demands, or causes of action against the City, its officers, officials, employees, and agents arising from or related to such termination, including but not limited to claims based on contract, tort, equity, or any theory of detrimental reliance or unjust enrichment.

f. Indemnity. Multiverse shall indemnify, protect, defend and hold harmless the City and its elected officials, officers, employees, representatives, members, and agents from and against any and all challenges to this Agreement, or any and all losses, liabilities, damages, claims or costs (including attorneys' fees) arising from Multiverse's negligent acts, errors, or omissions with respect to its obligations under this Agreement or the Premises, excluding any such losses arising from the sole negligence or sole willful misconduct of the City or breach of this Agreement by the City. This indemnity obligation shall survive the termination or expiration of this Agreement. Notwithstanding the foregoing, in the event of a third-party challenge to the

validity of this Agreement, Multiverse shall have the option to terminate this Agreement in lieu of indemnifying and defending the City against such action.

g. Nonliability of Officials and Employees. No member, official, employee, broker, consultant, attorney or contractor of the City shall be personally liable to Multiverse in the event of any default or breach by the City or for any amount which may become due to Multiverse or on any obligations under the terms of the Agreement.

h. City Representations. The City represents that, as of the Effective Date, the City owns or controls the Premises and has not entered into any other agreement granting any third party the right to lease, negotiate for, occupy, or operate the Premises in a manner inconsistent with this Agreement. The City further represents that the execution of this Agreement has been duly authorized by the City to the extent required for this Agreement to be binding as an exclusive negotiating agreement, subject to the City Council approval requirements applicable to any future Lease.

i. Multiverse Representations. Multiverse represents that, as of the Effective Date, it is a Corporation duly formed under the laws of the State of California and eligible to do business in the State of California, that the execution of this Agreement has been duly authorized by Multiverse to the extent required for this Agreement to be binding as an exclusive negotiating agreement, and that Multiverse has the full right, capacity, power and authority to enter into and carry out the terms of this Agreement.

5. General Provisions.

a. Notices, Demands and Communications Between the Parties. Formal notices, demands, and communications between the City and Multiverse shall be given either by (i) personal service, (ii) delivery by reputable document delivery service such as Federal Express that provides a receipt showing date and time of delivery, or (iii) or by mailing in the United States mail, certified mail, postage prepaid, return receipt requested, addressed to:

To the City:

City of Redondo Beach
415 Diamond Street
Redondo Beach, CA 90277
Attention: Waterfront & Community Services Director
With copy to: City Attorney

To Multiverse:

Multiverse Platforms Inc
1716 11th Street
Manhattan Beach, CA 90266

With a copy to:

Strategy Law, LLP
1 Almaden Blvd, Suite 700
San Jose, CA 95113
Attn: Steven Kahn
Email: skahn@strategylaw.com

Notices personally delivered or delivered by document delivery service shall be deemed effective upon receipt. Notices mailed in the manner provided above shall be deemed effective on the second business day following deposit in the United States Mail. Such written notices, demands, and communications shall be sent in the same manner to such other addresses as either party may from time to time designate by mail. Courtesy copies may be sent by email, but email alone shall not constitute formal notice unless the receiving Party confirms receipt in writing.

b. Brokers. City shall be solely responsible for payment of any commission or finder's fee payable to any broker or finder City has retained in connection with this transaction. As of the date of this Agreement, Multiverse has not engaged a broker or finder in connection with this transaction. City and Multiverse do each hereby agree to indemnify, protect, defend and hold the other harmless from and against liability for compensation or charges which may be claimed by any broker, finder or other similar party by reason of any dealings or actions of the indemnifying Party, including any costs, expenses, or attorneys' fees reasonably incurred with respect thereto.

c. Interpretation. The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction that might otherwise apply. Headings are for purposes of convenience only, and shall not be construed to limit or extend the meaning of this Agreement.

d. Entire Agreement. This Agreement integrates all of the terms and conditions mentioned herein, or incidental hereto, and supersedes all negotiations or previous agreements between the Parties with respect to all or any part of the subject matter hereof.

e. Waivers and Amendments. All waivers and amendments of the provisions of this Agreement must be in writing and signed by the appropriate authorities of each Party. All waivers and amendments must be approved by the City Council.

f. Counterparts. This Agreement may be executed in counterparts, each of which, after all the Parties hereto have signed this Agreement, shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

g. Successors. Multiverse may assign this Agreement, without the City's consent, but upon written notice to the City, to an entity controlling, controlled by, or under common control with Multiverse, or to a newly formed entity in which Multiverse or its principals retain control, provided that the assignee assumes Multiverse's obligations under this Agreement. Any other assignment shall require the City's prior written consent in its sole

discretion.

h. Severability. In the event any section or portion of this Agreement shall be held, found, or determined to be unenforceable or invalid for any reason whatsoever, the remaining provisions shall remain in effect, and the Parties shall take further actions as may be reasonably necessary and available to them to effectuate the intent of the Parties as to all provisions set forth in this Agreement.

i. Time is of the Essence. Time is of the essence for each of the Parties' obligations under this Agreement.

j. Confidentiality. Multiverse may provide the City with plans, drawings, concepts, business information, financial information, operating information, trade secrets, or other proprietary or confidential materials in connection with this Agreement. The Parties acknowledge that the City is subject to the Public Records Act, California Government Code Section 7920.000, et seq., and may be required to disclose records to the public which are requested pursuant to the Public Records Act. If Multiverse desires that any materials it submits to the City remain confidential, Multiverse shall provide written notice thereof to the City at the time of the transmission of such materials, and such written notice shall contain a statement of the legal basis for maintaining such confidentiality that Multiverse believes is applicable to such materials, which may include one or more specific exemptions set forth in the Public Records Act. The City shall not use such materials for any purpose other than evaluating and negotiating the proposed Lease with Multiverse. Subject to City's duties under the Public Records Act, the City shall not disclose such materials designated as confidential by Multiverse to any third party except to the extent required for City staff, consultants, brokers, attorneys, or City Council review, or as required by applicable law. If the City receives a request for disclosure of materials submitted by Multiverse that Multiverse has identified as confidential or proprietary, the City shall, to the extent legally permissible, provide Multiverse with prompt written notice before disclosure so that Multiverse may seek a protective order or other available protection. The City shall reasonably cooperate with Multiverse, at Multiverse's cost, in connection with any such effort.

[Signature Page to Follow]

IN WITNESS WHEREOF, the City and Multiverse have signed this Agreement as of the date set forth above.

CITY:

CITY OF REDONDO BEACH,
a California charter city and municipal corporation

By: _____
James A. Light, Mayor

ATTEST:

By: _____
Eleanor Manzano, City Clerk

APPROVED:

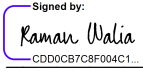
By: _____
Diane Strickfaden, Risk Manager

APPROVED AS TO FORM:

By: _____
Joy A. Ford, City Attorney

MULTIVERSE:

Multiverse Platforms Inc,
A California Corporation

By:  _____
Raman Walia, President/CEO
7/18/2026 | 2:49 PM PDT